



PUBLIC NOTICE

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Thursday October 28, 2021

Non-Streamlined Submarine Cable Landing License Applications Accepted For Filing

Unless otherwise specified, the following procedures apply to the applications listed below:

The applications listed below have been found, upon initial review, to be acceptable for filing. Pursuant to the Submarine Cable Landing License Act, 47 U.S.C. §§ 34-39, and Executive Order No. 10530, reprinted as amended in 3 U.S.C. § 301, each applicant seeks: (a) the grant of a cable landing license; (b) the modification of a cable landing license; and/or (c) the assignment or transfer of control of an interest in a submarine cable landing license. These applications are not subject to the streamlined processing procedures set forth in Section 1.767 of the Commission's rules, 47 CFR § 1.767.

Unless otherwise specified, filings relating to these applications must be received within 14 days of this notice. Ex parte communications between outside parties and Commission staff concerning these applications are permitted subject to the Commission's rules for "permit-but-disclose proceedings." See 47 CFR § 1.1206.

These applications are being coordinated with the Department of State and other Executive Branch agencies pursuant to section 1.767(b) of the Commission's rules, 47 CFR § 1.767(b), and consistent with procedures established with the Department of State. See Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, Report and Order, 16 FCC Rcd 22167, 22192-93, paras. 51-52 (2001) (Submarine Cable Landing License Report and Order); Streamlined Procedures for Executive Branch Review of Submarine Cable Landing License Requests, State Department Media Note (Revised) (rel. Dec. 20, 2001) available at <http://2001-2009.state.gov/r/pa/prs/ps/2001/6951.htm>.

Pursuant to its decision in Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, FCC 01-332, 16 FCC Rcd 22167 (2001), and section 1.767 of the rules, the Commission will take action upon these applications within ninety (90) days after release of this public notice, unless it determines that additional time is needed.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty). All applications listed are subject to further consideration and review, and may be returned and/or dismissed if not found to be in accordance with the Commission's rules, regulations, and other requirements.

Submarine Cable Landing License

An application was filed by Neutral Networks USA LLC (Neutral Networks or Applicant) for a license to construct, land, and operate within the United States a non-common carrier fiber-optic submarine cable network connecting Laredo, Texas and Nuevo Laredo, Tamaulipas, Mexico. The system will be known as the Neutral Networks Laredo Cable (NNLC). Applicant submitted a restated application on October 22, 2021.

NNLC will consist of three fiber optic cables in a three duct conduit extending 251 feet under the Rio Grande River. Each cable will consist of 48 fiber pairs (system total of 144 fiber pairs) and a system design capacity of 28.8 Tbps. Applicant states that the initial design will be one fiber pair activated to support two circuits of 100 Gbps each. Applicant states that the three duct conduit will be encased in a pipe buried 15 feet below the Rio Grande riverbed.

Applicant states that grant of this application will serve the public interest by expanding services and competitive options on the U.S.-Mexico route, and that it will increase availability of cross-border broadband on this route, enhance service quality, and increase resilience and redundancy of communications between the United States and Mexico. Applicant proposes to commence commercial operation of NNLC no later than January 2022. In connection with this planned start date, Applicant has separately filed a request for Special Temporary Authority to construct, connect, and test NNLC, File No. SCL-STA-20210930-00040.

Neutral Networks states that it will own and control 100% of the NNLC system in the United States. Neutral Networks, S. de R.L. de C.V. will own and control 100% of the NNLC system in Mexico. Applicant states that the NNLC will be deployed through pull boxes, or manholes, located on both sides of the Rio Grande, that will then connect with cable facilities (i.e., the cable landing stations) to points of presence where interconnection will occur. The manhole on the U.S. side will be located in Laredo, Texas, and the manhole on the Mexico side will be located in Nuevo Laredo, state of Tamaulipas. The cable landing station in Laredo, Texas will be an existing data center owned by VTX Communications, LLC (VTXC). In Mexico, the system will utilize an existing data center owned by Inmobiliaria Torre M.S.A. de C.V. in Monterrey, state of Nuevo León.

Neutral Networks requests a waiver of section 1.767(h)(1) so that VTXC-the owner of the Laredo cable landing station-need not be a joint applicant for the NNLC cable landing license. Section 1.767(h)(1) requires that "applicants for, and licensees on, a cable landing license" must include "[a]ny entity that owns or controls a cable landing station in the United States. . . ." 47 C.F.R. § 1.767(h)(1). According to Neutral Networks, although VTXC is the owner of the Laredo, Texas cable landing station, VTXC does not need to be a joint applicant for the NNLC system as Neutral Networks will retain operational authority over the NNLC system and provide direction to VTXC in all matters relating to the system. Neutral Networks states that it has a 25 year term collocation agreement with VTXC that will not provide VTXC any ability to affect significantly the NNLC system.

Neutral Networks proposes to operate NNLC on a non-common carrier basis. Applicant states that it will make fiber-optic capacity available to carriers on terms and conditions tailored to their particular needs, pursuant to individually negotiated indefeasible right of use (IRU) agreements and capacity leases. Applicant says that as a result, carriers will not have any expectation that the NNLC system is a common carrier cable system. Applicant also argues that it will not be able to assert market power due to the presence of numerous alternative terrestrial fiber-optic facilities between the United States and Mexico. Applicant states that the variety of choices for routing telecommunications traffic between the two countries will continue to be available after the NNLC system goes into operation. Applicant contends that the availability of multiple competitive alternatives to the proposed NNLC system means that the Applicant would be unable to restrict output or raise prices without losing customers.

Neutral Networks, a Delaware limited liability company, is a direct wholly owned subsidiary of Neutral Networks, S. de R.L. de C.V., a telecommunications infrastructure company organized in Mexico. In turn, Grupo Even Telecom S.A. de C.V., a Mexican telecommunications infrastructure holding company, holds 99.9% voting and equity interests in Neutral Networks, S. de R.L. de C.V. Grupo Even Telecom S.A. de C.V. is in turn directly owned by two entities with 10% or greater interests: LatAm Investments FV B.V. and CIBANCO SA IBM FIDEICOMISO. LatAm Investments FV B.V., a Netherlands investment company, holds 64.94% voting and equity interests in Grupo Even Telecom S.A. de C.V. LatAm Investments S.a.r.l., a Luxembourg investment company, holds 100% voting and equity interests in LatAm Investments FV B.V. Southern Cross Latin America Private Equity Fund V, L.P., a Canadian investment company, holds 100% voting and equity interests in LatAm Investments S.a.r.l. Ruhr Valley Investment Pte. Ltd, a Singapore investment company, holds a 12.71% equity interest in Southern Cross Latin America Private Equity Fund V, L.P. Employee Retirement System of Texas, a United States investment company, holds an 11.1% equity interest in Southern Cross Latin America Private Equity Fund V, L.P. CIBANCO SA IBM FIDEICOMISO, a Mexican trust, holds 29.64% voting and equity interests in Grupo Even Telecom S.A. de C.V. CIBANCO SA IBM FIDEICOMISO is, in turn, directly owned by three entities with a 10% or greater interest: Afore Banamex, S.A. de C.V., a Mexican pension fund holding 64.82% voting and equity interests; Profuturo GNP, S.A. de C.V., a Mexican pension fund holding 25% voting and equity interests; and Metlife Afore, S.A. de C.V., a Mexican pension fund holding 10.18% voting and equity interests. Applicant states that no other entity or individual holds a 10% or greater direct or indirect voting or equity interest in Neutral Networks.

Applicant agrees to abide by the routine conditions specified in section 1.767(g) of the Commission's rules, 47 CFR § 1.767(g).

Pursuant to Commission practice, the application is being referred to the relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy or trade policy concerns related to the proposed foreign ownership of Neutral Networks.

INFORMATIVE**SCL-LIC-20211013-00048**

PTI Pacifica Inc.

On October 25, 2021, the Committee for the Assessment of Foreign Participation in the United States Telecommunications Service Sector (Committee) notified the Commission that it is reviewing the application to renew the MTC Interisland Cable System (MICS) for an additional 25-year term for any national security and law enforcement concerns and requests that the Commission defer action on the application until it completes its review.

INFORMATIVE**SCL-STA-20210930-00040**

Neutral Networks USA LLC

A request was filed for special temporary authority (STA) by Neutral Networks USA LLC (Neutral Networks) to allow the construction, connection, and testing of the portion of the Neutral Networks Laredo Cable in U.S. territory, at its own risk, while the Commission considers the application for a cable landing license for the cable, SCL-LIC-20210930-00042. Neutral Networks acknowledges that grant of such STA will not prejudice action by the Commission on the underlying application, and that the STA is subject to cancellation or modification upon notice without a hearing.

Interested parties may file comments on or before November 12, 2021.

REMINDER:

Applicants must certify that neither the applicant nor any party to the application is subject to a denial of federal benefits by federal and/or state courts under authority granted in 21 U.S.C. § 862. See 47 CFR §§ 1.2001–.2003.

By this notice, we inform the public that submarine cable landing license applications that are part of larger transactions involving multiple Commission licenses or authorizations may involve "extraordinary circumstances" as referenced in Review of Commission Consideration of Applications under the Cable Landing License Act, Report and Order, 16 FCC Rcd 22167 (2001) and Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891 (1997), paras. 327-28, Order on Reconsideration, 15 FCC Rcd 18158 (2000). Additionally, extraordinary circumstances result where Executive Branch agencies petition the Commission to defer action on an application pending the resolution of potential national security, law enforcement, foreign policy and trade policy issues. Accordingly, these applications may not be acted on within the 90-day review period that the Commission has established as the period of time normally required to reach a decision on non-streamlined cable landing licenses. This notice shall serve as public notice to applicants that, in these circumstances, additional time may be required for Commission review and final action. No additional formal public notice will be provided routinely with respect to specific applications in the event that the applicable review period extends beyond 90 days.